FOR OHF USE

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2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0019596

Facility Name: Alden Morrow Rehab & HCC

Address: 5001 South Michigan Avenue (Number) Chicago (City) 60615 (Zip Code)

County: Cook

Telephone Number: (773)286-3883 **Fax #** (773)286-3743

IDPA ID Number: 36-2814943

Date of Initial License for Current Owners: 11/01/76

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code		X	Corporation		Other
			"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: **Telephone Number:** ( )

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2004 to 12/31/2004 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) (Date)
(Type or Print Name) Steven M. Kroll
(Title) Chief Financial Officer

Paid Preparer

(Signed) (Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	192	Skilled (SNF)	192	70,272	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	192	TOTALS	192	70,272	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	7,254	199	1,588	9,041	8
9	SNF/PED					9
10	ICF	21,398	251	181	21,830	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	28,652	450	1,769	30,871	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 43.93%

D. How many bed-hold days during this year were paid by Public Aid?
0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? _____

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 01/04/1976

J. Was the facility purchased or leased after January 1, 1978?
YES [ ] Date _____ NO [X]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 66 and days of care provided 1,568

Medicare Intermediary Adminstar Federal, Inc.

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	173,795	35,010	9,600	218,405	680	219,085		219,085			1
2	Food Purchase		151,709		151,709	(18,963)	132,746	(11,887)	120,859			2
3	Housekeeping	122,492	18,451		140,943	288	141,231		141,231			3
4	Laundry	46,142	14,327		60,469	210	60,679		60,679			4
5	Heat and Other Utilities			168,405	168,405		168,405	(66)	168,339			5
6	Maintenance	41,609	800	90,052	132,461	64	132,525	4,088	136,613			6
7	Other (specify):* related party salary	2,074			2,074		2,074	22,830	24,904			7
8	**TOTAL General Services**	386,112	220,297	268,057	874,466	(17,721)	856,745	14,965	871,710			8
	B. Health Care and Programs											
9	Medical Director			13,400	13,400		13,400		13,400			9
10	Nursing and Medical Records	1,010,858	61,084	4,674	1,076,616	1,364	1,077,980	(26,109)	1,051,871			10
10a	Therapy											10a
11	Activities	39,053	1,702	5,942	46,697		46,697		46,697			11
12	Social Services	18,641			18,641		18,641		18,641			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):* related party salary							17,072	17,072			15
16	**TOTAL Health Care and Programs**	1,068,552	62,786	24,016	1,155,354	1,364	1,156,718	(9,037)	1,147,681			16
	C. General Administration											
17	Administrative	139,922			139,922		139,922		139,922			17
18	Directors Fees											18
19	Professional Services			598,100	598,100		598,100	(559,064)	39,036			19
20	Dues, Fees, Subscriptions & Promotions			40,260	40,260		40,260	(30,764)	9,496			20
21	Clerical & General Office Expenses	63,514	12,843	34,329	110,686	43	110,729	21,860	132,589			21
22	Employee Benefits & Payroll Taxes			273,120	273,120	16,314	289,434		289,434			22
23	Inservice Training & Education											23
24	Travel and Seminar			289	289		289	7,372	7,661			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			179,221	179,221		179,221	163	179,384			26
27	Other (specify):* related party salary			19,639	19,639		19,639	182,387	202,026			27
28	**TOTAL General Administration**	203,436	12,843	1,144,958	1,361,237	16,357	1,377,594	(378,046)	999,548			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	1,658,100	295,926	1,437,031	3,391,057		3,391,057	(372,118)	3,018,939			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Alden Morrow Rehab & HCC #0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	D. Ownership											
30	Depreciation			76,069	76,069		76,069	79,786	155,855			30
31	Amortization of Pre-Op. & Org.							978	978			31
32	Interest			148,297	148,297		148,297	6,728	155,025			32
33	Real Estate Taxes			177,886	177,886		177,886	4,172	182,058			33
34	Rent-Facility & Grounds			586,974	586,974		586,974	(586,974)				34
35	Rent-Equipment & Vehicles			3,269	3,269		3,269	12,374	15,643			35
36	Other (specify):*							7,282	7,282			36
37	**TOTAL Ownership**			992,495	992,495		992,495	(475,654)	516,841			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		99,215	120,729	219,944		219,944	(79,496)	140,448			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			105,408	105,408		105,408		105,408			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**		99,215	226,137	325,352		325,352	(79,496)	245,856			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	1,658,100	395,141	2,655,663	4,708,904		4,708,904	(927,268)	3,781,636			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	66,942	30		9
10	Interest and Other Investment Income	(1)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(190)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(10,935)	21		17
18	Fines and Penalties	(4,552)	32		18
19	Entertainment	(100)	20		19
20	Contributions	(1,937)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(16,052)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(19,638)	27		24
25	Fund Raising, Advertising and Promotional	(25,729)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (12,192)		$	30

OHF USE ONLY								
48		49		50		51		52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(315,012)	Various	34
35	Other- Attach Schedule	(600,064)	Pg 5a	35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (915,076)		36
37	**TOTAL ADJUSTMENTS (A) and (B) (sum of SUBTOTALS)**	$ (927,268)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	$		38
39			X			39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

STATE OF ILLINOIS

Alden Morrow Rehab & HCC

ID# 0019596

Report Period Beginning: 01/01/2004

Ending: 12/31/2004

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Late Fees on Utilities	$ (1,758)	5	1
2	Intercompany Interest	(140,001)	32	2
3	flu,blooe,glucose etc.	(167)	21	3
4	mortgage interest	122,992	32	4
5	Back out 31.78% of IHCA dues	(3,295)	20	5
6	depreciation adjsutment	2,302	30	6
7	deferred maintenancw-paint.	(445)	6	7
8	eliminate rent due to sale/leaseback	(586,974)	34	8
9	MIP from sale/leaseback	7,282	36	9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(600,064)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 **Report Period Beginning:** 01/01/2004 **Ending:** 12/31/2004

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(190)	0	0	(11,697)	0	0	0	0	0	0	0	(11,887)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(1,758)	0	1,692	0	0	0	0	0	0	0	0	(66)	5
6	Maintenance	(445)	0	5,053	0	0	0	(43)	(477)	0	0	0	4,088	6
7	Other (specify):*	0	0	22,830	0	0	0	0	0	0	0	0	22,830	7
8	**TOTAL General Services**	(2,393)	0	29,575	(11,697)	0	0	(43)	(477)	0	0	0	14,965	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(21,121)	(4,988)	0	0	0	0	0	0	(26,109)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	17,072	0	0	0	0	0	0	0	0	17,072	15
16	**TOTAL Health Care and Programs**	0	0	17,072	(21,121)	(4,988)	0	0	0	0	0	0	(9,037)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(16,052)	0	(543,012)	0	0	0	0	0	0	0	0	(559,064)	19
20	Fees, Subscriptions & Promotions	(31,061)	0	297	0	0	0	0	0	0	0	0	(30,764)	20
21	Clerical & General Office Expenses	(11,102)	0	19,156	12,053	1,753	0	0	0	0	0	0	21,860	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	7,372	0	0	0	0	0	0	0	0	7,372	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	163	0	0	0	0	0	0	0	0	163	26
27	Other (specify):*	(19,638)	0	196,481	2,827	2,717	0	0	0	0	0	0	182,387	27
28	**TOTAL General Administration**	(77,853)	0	(319,543)	14,880	4,470	0	0	0	0	0	0	(378,046)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(80,246)	0	(272,896)	(17,938)	(518)	0	(43)	(477)	0	0	0	(372,118)	29

STATE OF ILLINOIS **Summary B**

Facility Name & ID Number **Alden Morrow Rehab & HCC** **#** **0019596** **Report Period Beginning:** **01/01/2004** **Ending:** **12/31/2004**

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	69,244	0	9,144	0	1,398	0	0	0	0	0	0	79,786	30
31	Amortization of Pre-Op. & Org.	0	0	978	0	0	0	0	0	0	0	0	978	31
32	Interest	(21,562)	0	27,728	0	126	436	0	0	0	0	0	6,728	32
33	Real Estate Taxes	0	0	4,053	0	119	0	0	0	0	0	0	4,172	33
34	Rent-Facility & Grounds	(586,974)	0	0	0	0	0	0	0	0	0	0	(586,974)	34
35	Rent-Equipment & Vehicles	0	0	12,374	0	0	0	0	0	0	0	0	12,374	35
36	Other (specify):*	7,282	0	0	0	0	0	0	0	0	0	0	7,282	36
37	**TOTAL Ownership**	(532,010)	0	54,277	0	1,643	436	0	0	0	0	0	(475,654)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	(6,811)	(8,885)	(63,800)	0	0	0	0	0	(79,496)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	0	0	0	(6,811)	(8,885)	(63,800)	0	0	0	0	0	(79,496)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(612,256)	0	(218,619)	(24,749)	(7,760)	(63,364)	(43)	(477)	0	0	0	(927,268)	45

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
		See pg 6K				

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V			$			$	$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$			$	$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	19	Professional fees	$ 549,000	Alden Management Services	0.00%	$ 5,988	$ (543,012)	15
16	V	21	Clerical and G & A		Alden Management Services		19,156	19,156	16
17	V	5	Utilities		Alden Management Services		1,692	1,692	17
18	V	6	Maintenance		Alden Management Services		5,053	5,053	18
19	V	24	Travel & seminar		Alden Management Services		7,372	7,372	19
20	V	26	Insurance		Alden Management Services		163	163	20
21	V	20	Dues/subscriptions/fees etc		Alden Management Services		297	297	21
22	V	30	Depreciation		Alden Management Services		9,144	9,144	22
23	V	31	Amortization		Alden Management Services		978	978	23
24	V	33	Real estate taxes		Alden Management Services		4,053	4,053	24
25	V	35	Rent-equipment/vehicles		Alden Management Services		12,374	12,374	25
26	V	32	Interest		Alden Management Services		27,728	27,728	26
27	V	7	Salaries-general serv		Alden Management Services		22,830	22,830	27
28	V	15	Salaries-health care		Alden Management Services		17,072	17,072	28
29	V	27	Salaries-general admin		Alden Management Services		196,481	196,481	29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 549,000			$ 330,381	$ * (218,619)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	tube-feediing	$ 19,040	Prism Health Care		$ 7,343	$ (11,697)	15
16	V	10	nursing suplies	22,515	Prism Health Care		1,394	(21,121)	16
17	V	39	per diems/other supplies	15,480	Prism Health Care		8,669	(6,811)	17
18	V	21	gen'l & admin.		Prism Health Care		12,053	12,053	18
19	V	27	general & admin salary		Prism Health Care		2,827	2,827	19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 57,035			$ 32,286	$ * (24,749)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V		39	drugs	$ 63,110	Forum Extended Carew II		$ 54,435	$ (8,675)	15
16	V		10	house stock	2,283	Forum Extended Carew II		1,969	(314)	16
17	V		39	I.V.	1,529	Forum Extended Carew II		1,319	(210)	17
18	V					Forum Extended Carew II				18
19	V		21	gen'l & admin		Forum Extended Carew II		1,753	1,753	19
20	V		32	interest		Forum Extended Carew II		126	126	20
21	V		33	real estate tax		Forum Extended Carew II		119	119	21
22	V		30	depreciation		Forum Extended Carew II		1,398	1,398	22
23	V		27	general & admin salary		Forum Extended Carew II		2,717	2,717	23
24	V		10	pharmacy consulting	4,674	Forum Extended Carew II			(4,674)	24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total				$ 71,596			$ 63,836	$ * (7,760)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	39	Therapy	$ 118,239	Community Physical Therapy		$ 54,439	$ (63,800)	15
16	V	32	Interest		Community Physical Therapy		436	436	16
17	V	31			Community Physical Therapy				17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 118,239			$ 54,875	$ * (63,364)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V		6	repairs and maintenance	$ 29,838	Alden Bennett Construction		$ 29,795	$ (43)	15
16	V									16
17	V									17
18	V									18
19	V									19
20	V									20
21	V									21
22	V									22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total				$ 29,838			$ 29,795	$ * (43)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	6	CARPET CLEANING	$	ALDEN REALTY - CARPET CARE		$	$	15
16	V	6	FLOOR CLEANING	4,900	ALDEN REALTY - FLOOR CARE		4,423	(477)	16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 4,900			$ 4,423	$ * (477)	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

Facility Name & ID Number ALDEN NURSING CENTER - MORROW # 001-9596 Report Period Beginning: 01/01/04 Ending: 12/31/04

RELATED NURSING HOMES	
Name	City
Note: ANC = Alden Nursing Center	
ANC Lakeland	Chicago
ANC Long Grove	Long Grove
ANC Heather	Harvey
ANC Lincoln Park	Chicago
ANC Northmoor	Chicago
ANC Town Manor	Chicago
ANC Terrace of McHenry	McHenry
ANC Waterford	Aurora
ANC Wentworth	Chicago
ANC Naperville	Naperville
ANC Valley Ridge	Bloomingdale
ANC Village for Children & Young Adults	Bloomingdale
ANC Orland Park	Orland Park
ANC Princeton	Chicago
Alden of Old Town East	Bloomingdale
Alden of Old Town West	Bloomingdale
Alden Trails	Bloomingdale
Alden Northshore	Skokie
ANC Des Plaines	Des Plaines
ANC Des Plaines II	Des Plaines
ANC Alma Nelson	Rockford
ANC Park Stratmoor	Rockford
ANC Meadow Park	Rockford
ANC Poplar Creek	Hoffman Estates
ANC Governs Park	Barrington
Alden Gardens of Rockford	Rockford

OTHER RELATED BUSINESS ENTITIES		
Name	City	Type of Business
The Forum Prof. Center	Chicago	Office rental
Pyramid Health Care	Chicago	Nursing supplies
Forum Extended Care II	Chicago	Pharmacy
Alden Management	Chicago	Management
Alden Estates of Evanston	Evanston	Assisted living
Community Physical Therapy	Wood Dale	Therapy provider
Courts of Waterford	Aurora	Alzheimers unit
Gardens of Waterford	Aurora	Assisted living

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
						Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**			
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Hours	Percent	Description	Amount	Schedule V. Line & Column Reference	
1	Floyd Schlossberg a.	President	Chief Executive	100.00	221,600	1.084	2.71	Salary	$ 6,164	27-7	1
2	Lauren Magnusson b.	Nurse coordinator	nursing admin.	0.00	71,559	1.084	2.71	Salary	1,990	15-7	2
3	Terry Magnusson c.	Maint. Supervisor	construct/mainten	0.00	48,647	1.084	2.71	Salary	1,353	7-7	3
4											4
5											5
6	a. Floyd Schlossberg is the President and sole stockholder of The Alden Group, Ltd.										6
7	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is a nurse coordinator.										7
8	c. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry is in maintenance and construction.										8
9											9
10											10
11											11
12											12
13								TOTAL	$ 9,507		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 2/31/2004

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Alden Management Services, Inc
Street Address: 4200 W. Peterson Ave
City / State / Zip Code: Chicago, IL 60646
Phone Number: (773)286-3883
Fax Number: (773)286-3743

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1		See Page 8A (also on page 6a)				$	$		$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$	25

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	Proforma allocation of						$	$			$	1
2	interest expense prior to											2
3	sale/ leaseback		X	Mortgage	$15,474.67	3/7/75	2,166,900	1,456,416	8/20/2017	8.2500	122,992	3
4												4
5												5
	Working Capital											
6	Related party -AMS/Ther S	X		Working Capital							31,471	6
7	Related Party - FECII	X		Working Capital							126	7
8	Related party -CPT	X		Working Capital							436	8
9	TOTAL Facility Related				$15,474.67		$ 2,166,900	$ 1,456,416			$ 155,025	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 2,166,900	$ 1,456,416			$ 155,025	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ 7,282 Line # 36

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2003 report. *Important*, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$	232,037	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	$	201,923	2
3. Under or (over) accrual (line 2 minus line 1).	$	(30,114)	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)	$	208,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**	$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)**	$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.	$	177,886	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1999	231,271	8
	2000	217,133	9
	2001	222,781	10
	2002	225,278	11
	2003	201,923	12

2004 Accrual is 103% od 2003 paid invoices.

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Morrow Rehab & HCC COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0019596

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

TELEPHONE (773)286-3883 FAX #: (773)286-3743

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	2010-120-001-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
2.	2010-120-002-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
3.	2010-120-003-000	Nursing home faclity	$ 25,240.69	$ 25,240.69
4.	2010-120-004-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
5.	2010-120-005-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
6.	2010-120-006-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
7.	2010-120-007-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
8.	2010-120-008-000	Nursing home faclity	$ 25,240.39	$ 25,240.39
9.		Related party Alden Management	$ 149,765.00	$ 4,053.00
10.		Related party-Forum	$ 13,827.00	$ 119.00
		TOTALS	$ 365,515.42	$ 206,095.42

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 59,115 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3

C. Does the Operating Entity? [ ] (a) Own the Facility [ ] (b) Rent from a Related Organization. [X] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [ ] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	nursing home		1974	$ 80,500	1
2					2
3	TOTALS			$ 80,500	3

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	192		1976	1976	$ 1,860,675	$	30	$ 62,023	$ 62,023	$ 1,733,565	4
5			1976	1976	147,556		30	4,919	4,919	138,446	5
6	Related Party-Forum			1978	16,213		22			16,213	6
7											7
8											8
	Improvement Type**										
9	ELEVATOR			1976	70,500		25			70,500	9
10	AIR CONDITIONER/PAINTING/SMOKE DRAPERIES			1978	14,584		4,7 & 8			14,584	10
11	DOOR/ESECT REPAIR/PANELS			1979	3,382		4 & 8			3,382	11
12	PAINTING			1981	7,954		3 & 5			7,954	12
13	PAINTING/ELECTRICAL WIRING/ELEVATOR REPAIR/A/C			1982	20,715		3,6,8 & 10			20,715	13
14	CHIMNEY/BASEBOARDS			1983	8,216		10 & 18			8,216	14
15	HOT WATER SYSTEM			1984	4,288		10			4,288	15
16	WALL/HANDRAIL/PLUMBING/ELECT REPAIR/PAINT/HVAC			1985	33,370		3,10 & 20			33,370	16
17	HEATING/PAINTING/MISC. REPAIR			1986	33,351		3,4,5,10&20			33,351	17
18	REPLACE CLOSET DOORS			1991	2,201		5			2,201	18
19	LOCKS/ROOFING			1994	9,675	968	10	968		9,675	19
20	REPLACE LEAKING PUMP			1995	2,057	137	15	137		1,326	20
21	WASCOMAT WASHTOWN			1987	2,175		3			2,175	21
22	WHEELCHAIR REPAIR/PLUMBING/PAINTING/CARPENTRY			1988	35,223		5 & 10			35,223	22
23	PLUMBING/MISC. REPAIRS			1989	21,020		5			21,020	23
24	ELEVATOR REPAIR			1990	2,900		5			2,900	24
25	REPLACE BLOWER MOTOR/FREEZER/CONDENSOR/BOILER			1991	22,644		5			22,644	25
26	FIRE ALARM/REPAIR PUMP/ELEVATOR REPAIR/MISC.			1992	30,274	226	5,10 & 15	226		29,736	26
27	REPAIR 3-WAY VALVES/AIR CONDENSOR/CAULKING/MSC			1993	14,638		5			14,638	27
28	ROOFING			1994	12,070	606	10	606		12,070	28
29	CONTROLS/PIPING/ROOF/VALVES/AC MOTOR & PUMP/MSC			1995	58,213	1,827	5,10,15&20	1,827		50,388	29
30	BOILER LEAKING & REPLACE TUBES			1996	7,674	512	15	512		4,434	30
31	BOILER TUBE			1996	5,700	380	15	380		3,167	31
32	BOILER TUBE			1996	5,699	380	15	380		3,103	32
33	HVAC			1996	238,155	9,526	25	9,526		78,591	33
34	INSTALL ELECTRICAL WIRING FOR DRYERS			1996	1,838		5			1,838	34
35	ABC-drywall for dryers			1996	1,105		5			1,105	35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	INSTALL SPRINKLER HEADS	1998	$ 1,879	$	5	$	$	$ 1,879	37
38	REPAIR FREON LEAKS	1998	5,391		5			5,391	38
39	REPAIR CHILLER	1998	4,930	493	10	493		3,204	39
40	REPAIR CONVECTION STEAMER	1998	2,230	223	10	223		1,431	40
41	ELECTRICAL WORK	1998	1,901	190	10	190		1,204	41
42	AIR CONDITIONERS	1998	68,504	4,567	15	4,567		28,924	42
43	AIR CONDITIONERS	1998	10,000	667	15	667		4,222	43
44	INSTALL DOOR RESTRICTOR	1998	3,400	170	20	170		1,162	44
45	ABC-CONCRETE PATIO	1999	7,346	735	10	735		3,795	45
46	Atash Fire & Safety Equipment (install alarm)	1999	12,400	827	15	827		4,960	46
47	Climate Service (repair leaks and air/water heating)	1999	10,519	701	15	701		4,208	47
48	Alden Bennett Construction(general construction)	1999	2,648	265	10	265		1,412	48
49	Climate Service(repair)	1999	1,676	112	15	112		587	49
50	Climate Service (repair pipes)	1999	1,565	104	15	104		539	50
51	Alden Bennett Construction(general construction)	1999	922	169	5	169		922	51
52	Alden Bennett Construction(general construction)	1999	6,329	633	10	633		3,217	52
53	Alden Bennett Construction(general construction)	1999	3,598	360	10	360		1,829	53
54	Alden Bennett Construction(general construction)	1999	4,089	409	10	409		2,078	54
55	Security Services Group(window detector system)	1999	4,687	312	15	312		1,614	55
56	CSI-fixed leaking coil	1998	3,526		5			3,526	56
57	ABC-various leasehold improvements	1999	45,440	4,544	10	4,544		22,720	57
58	Climate Service Inc (repair HVAC)	2000	1,696	113	15	113		565	58
59	Climate Service Inc (repair HVAC)	2000	2,283	152	15	152		761	59
60	Climate Service Inc (repair HVAC)	2000	1,509	94	16	94		472	60
61	GT Mechanical Inc	2000	5,000	333	15	333		1,556	61
62	Alden Bennett Construction (general construction)	2000	11,602	1,160	10	1,160		5,317	62
63	Alden Bennett Construction (general construction)	2000	16,663	1,666	10	1,666		7,499	63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 2,935,798	$ 33,561		$ 100,503	$ 66,942	$ 2,495,812	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 2,935,798	$ 33,561		$ 100,503	$ 66,942	$ 2,495,812	1
2	Fox Valley (ansulator)	2000	2,007	201	10	201		886	2
3	CSI Coker Service (kitchen dishwasher)	2000	3,487	349	10	349		1,424	3
4	Alden Bennett Construction	2000	4,436	444	10	444		2,033	4
5	Alden Bennett Construction	2000	7,346	735	10	735		3,306	5
6	Alden Bennett Construction	2000	21,382	2,138	10	2,138		9,622	6
7	Alden Bennett Construction (leashold imprv.)	2000	8,803	880	10	880		4,182	7
8	Long Elevator (replace elevator cable)	2001	2,650	265	10	265		905	8
9	Long Elevator (replace elevator cable)	2001	2,650	265	10	265		883	9
10	Capps (install new water pipes in basement)	2001	4,400	176	25	176		601	10
11	Equipment Internt'l (Drier repair)	2001	1,178	236	5	236		785	11
12	Equipment Internt'l (Drier repair-parts for above repair)	2001	114	23	5	23		76	12
13	GT Mechanical (install exhaust fan: dishwasher)	2001	4,400	440	10	440		1,467	13
14	Sentry Protection (2 smoke detectors-boiler room)	2001	1,576	158	10	158		538	14
15	Capps plumbing (three cast pipes)	2002	1,765	177	10	177		530	15
16	Health care products (eleven wheel chair repairs)	2002	1,599	320	5	320		906	16
17	Alden Bennett Construction (various major repairs - paint - maint)	2002	3,132	626	5	626		1,827	17
18	F.E. Moran, Inc (21 smoke detectors)	2002	7,650	1,530	5	1,530		3,953	18
19	Long Elevator (replace elevator cable adjustment)	2002	(2,650)	(265)	10	(265)		(795)	19
20	GT Mechanical (motor exhaust - speed controller)	2002	2,042	204	10	204		476	20
21	Sept A/P report (dishwasher pump)	2002	1,490	149	10	149		435	21
22	Alden Bennett Const.0-Fire alarm system	2003	59,667	3,978	15	3,978		6,630	22
23	Long-Elevator repair	2003	2,010	201	10	201		302	23
24	DBS	2003	11,122	741	15	741		1,112	24
25	ABC Boiler repair	2003	11,161	1,116	10	1,116		1,395	25
26	GT Mech.-repair chiller	2003	3,842	768	5	768		961	26
27	GT Mech- reopair heater	2003	2,093	419	5	419		593	27
28	GT Mech-repair hot water heater	2003	1,835	367	5	367		489	28
29	Long-elevator repair	2003	2,650	265	10	265		530	29
30	Tel South	2004	1,725	460	5	460		460	30
31	ABC-New exhaust and chiller room	2004	13,205	550	20	550		550	31
32	Aqua-utility tee with copper in wall	2004	1,280	57	15	57		57	32
33									33
34	TOTAL (lines 1 thru 33)		$ 3,125,846	$ 51,534		$ 118,476	$ 66,942	$ 2,542,931	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 3,125,846	$ 51,534		$ 118,476	$ 66,942	$ 2,542,931	1
2	GT Mech Bearing assembly and coupler	2004	937	94	10	94		94	2
3	GT Mech A/C	2004	865	65	10	65		65	3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 3,127,648	$ 51,693		$ 118,635	$ 66,942	$ 2,543,090	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		$ 3,127,648	$ 51,693		$ 118,635	$ 66,942	$ 2,543,090	1
2									2
3	Related Party-Forum:								3
4	Leasehold Improvement-Remodeling	1980	12,303		15			12,303	4
5	Leasehold Improvement-Remodeling	1980	19,273		20			19,273	5
6	Leasehold Improvement-Tenant Improvement	1987	996		13			996	6
7	Leasehold Improvement-AMS Remodel	1988	14,339		10			14,339	7
8	Leasehold Improvement-Roof	1994	3,572	223	16	223		2,234	8
9	Leasehold Improvement-Build.Improv.	1996	1,259	79	16	79		704	9
10	Leasehold Improvement-Asphalting	2000	98		3			98	10
11	Leasehold Improvement-DAI	2001	172	17	10	17		54	11
12	Leasehold Improvement-Bathrooms	2002	733	82	7	82		181	12
13	Leasehold Improvement-Suite Renovation	2003	1,638	164	10	164		328	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, etc	2004	1,820	148	7	148		148	14
15	Leasehold Improvement-Add-on Improvement, fixture base	1980	79		23			79	15
16	Leasehold Improvement-Add-on Improvement, lighting base	2001	137	27	5	27		103	16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26	Related Party-AMS:								26
27	Leasehold Improvement-Remodeling	1993	5,938		7			5,938	27
28	Leasehold Improvement-Remodeling	2002	4,861	608	7	608		1,215	28
29	Leasehold Improvement-Remodeling	2003	5,085	775	7	775		1,394	29
30									30
31									31
32									32
33	Forum Extended Care, LLC-building/building improv	1999	13,393	266	30	266		2,041	33
34	TOTAL (lines 1 thru 33)		$ 3,213,344	$ 54,082		$ 121,024	$ 66,942	$ 2,604,519	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 254,749	$ 25,488	$ 25,488	$	variouas	$ 159,368	71
72	Current Year Purchases	68,795	5,176	5,176		variouas	5,176	72
73	Fully Depreciated Assets	253,064	4,037	4,037		variouas	253,064	73
74								74
75	TOTALS	$ 576,608	$ 34,701	$ 34,701	$		$ 417,608	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	car engine/bus/van	various/dodge	98-'04	$ 8,164	$ 130	$ 130	$	3	$ 7,981	76
77										77
78										78
79										79
80	TOTALS			$ 8,164	$ 130	$ 130	$		$ 7,981	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 3,878,616	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 88,913	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 155,855	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 66,942	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 3,030,108	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Omega Healthcare Investors

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. [X] YES [ ] NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:		192	10/29/86	$ rent eliminated	10	5	3
4	Additions				due to sale-leaseback			4
5								5
6								6
7	TOTAL		192		$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: [X] YES [ ] NO Terms: right of first refusal *

10. Effective dates of current rental agreement:
Beginning 10/31/2001
Ending 10/31/2006

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$ 581,420
13.	/2006	$ 484,517
14.	/2007	$ 0

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [ ] YES [X] NO

16. Rental Amount for movable equipment: $ 3,353 Description: copy machine lease
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18	related party-AMS	various		12,374	18
19					19
20					20
21	TOTAL		$	$ 12,374	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [ ] YES [x] NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

skilled nurses on site

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE ____

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	39-3	hrs	$		$ 47,066	$		$ 47,066	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			6,645			6,645	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			64,528			64,528	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See pg 16A	# of prescrpts				54,225		54,225	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):	See pg 16A				(63,800)	31,784		(32,016)	13
14	TOTAL			$		$ 54,439	$ 86,009		$ 140,448	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

Alden Morrow Rehab & HCC

2004

		Page 16 Col 5: PT,OT, & ST Col 6: Other Amount
XIV. SPECIAL SERVICES (Direct Cost)		
Service		
1. OT	39-3	$47,066.00
2. ST	39-3	6,645.00
3.		
4. PT	39-3	64,528.00
5.		
6.		
7.		
8.		
9. Phamacy	See pg 16A	63,110.00
Plus: Related Party- Forum Drugs		(8,675.00)
Plus: Related Party- Forum I.V.		(210.00)
Total to line 9 Pharmacy		54,225.00
10.		
11.		
12. Exceptional Care-Column 3	See pg 16A	0.00
12. Exceptional Care-Column 6	See pg 16A	0.00
13. Other: Lab,x-ray therapy,mattress,Pyramid billings		38,595.00
Related Party- Pyramid		(6,811.00)
Related Party- CPT		(63,800.00)
Total to line 13		(32,016.00)
14. Total		140,448.00

Facility Name & ID Number Alden Morrow Rehab & HCC **#** 0019596 **Report Period Beginning:** 01/01/2004 **Ending:** 12/31/2004

XV. BALANCE SHEET - Unrestricted Operating Fund. **As of** 12/31/2004 **(last day of reporting year)**

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 65,000)	929,248		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	5,887		6
7	Other Prepaid Expenses	2,670		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Due from 3rd parties	63,684		9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 1,001,489	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	1,129,462		15
16	Equipment, at Historical Cost	501,641		16
17	Accumulated Depreciation (book methods)	(1,013,141)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	88,554		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 706,516	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,708,005	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 1,098,814	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	156,929		28
29	Short-Term Notes Payable	33,070		29
30	Accrued Salaries Payable	162,386		30
31	Accrued Taxes Payable (excluding real estate taxes)	10,632		31
32	Accrued Real Estate Taxes(Sch.IX-B)	208,000		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Accr.exp,idpa,etc	48,653		36
37	Due to Afiliates	3,667,824		37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 5,386,308	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	11,782		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 11,782	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 5,398,090	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (3,690,085)	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,708,005	$	48

***(See instructions.)**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ (2,298,191)	1
2	Restatements (describe):		2
3	extrernal adjustments made aftrer 2003 cost reportr was	(18,164)	3
4	submitted. No effect on prior year report:		4
5	Bad debt,medixcare revenues, etc.		5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (2,316,355)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,373,730)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	( )	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (1,373,730)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (3,690,085)	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 3,308,864	1
2	Discounts and Allowances for all Levels	( )	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 3,308,864	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	10,584	6
7	Oxygen	1,487	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 12,071	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	5,876	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	527	19
20	Radiology and X-Ray	110	20
21	Other Medical Services	8,448	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 14,961	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	1	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 1	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ (723)	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 3,335,174	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	874,466	31
32	Health Care	1,155,354	32
33	General Administration	1,361,237	33
	B. Capital Expense		
34	Ownership	992,495	34
	C. Ancillary Expense		
35	Special Cost Centers	219,944	35
36	Provider Participation Fee	105,408	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 4,708,904	40
41	**Income before Income Taxes (line 30 minus line 40)****	(1,373,730)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (1,373,730)	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? Not yet done If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,712	1,792	$ 59,840	$ 33.39	1
2	Assistant Director of Nursing	104	192	5,522	28.76	2
3	Registered Nurses	2,447	2,655	64,902	24.45	3
4	Licensed Practical Nurses	18,486	19,466	434,864	22.34	4
5	Nurse Aides & Orderlies	40,410	43,633	380,781	8.73	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	2,048	2,080	22,080	10.62	9
10	Activity Assistants	1,683	1,953	16,972	8.69	10
11	Social Service Workers	832	1,120	18,641	16.64	11
12	Dietician					12
13	Food Service Supervisor	1,624	1,896	23,073	12.17	13
14	Head Cook					14
15	Cook Helpers/Assistants	16,205	17,419	150,723	8.65	15
16	Dishwashers					16
17	Maintenance Workers	1,600	1,792	41,609	23.22	17
18	Housekeepers	12,309	13,285	122,492	9.22	18
19	Laundry	5,445	5,960	46,142	7.74	19
20	Administrator	3,522	3,562	111,105	31.19	20
21	Assistant Administrator					21
22	Other Administrative	1,107	1,208	13,305	11.01	22
23	Office Manager					23
24	Clerical	4,655	5,048	50,209	9.95	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	2,124	2,300	64,949	28.24	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify) security	2,307	2,411	30,891	12.81	33
34	TOTAL (lines 1 - 33)	118,620	127,772	$ 1,658,100 *	$ 12.98	34

* This total must agree with page 4, column 1, line 45. ** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	$ 9,600	1-3	35
36	Medical Director	Monthly	13,400	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	4,254	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	41	3,774	11-3	44
45	Social Service Consultant	33	1,318	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	74	$ 32,346		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$ N/A		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
		0	$
S. Turner	Administrator	0	66,256
M. Van Goeben	Administrator		27,384
various executives	asst. admin.		46,282
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 139,922

B. Administrative - Other

Description	Amount
	$
TOTAL (agree to Schedule V, line 17, col. 3)	$
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
AMS	Management Fees	$ 549,000
Bdo Seidman	Accounting Fees	10,544
Ken Fisch/Greenburg	Legal Fees	20,656
First Real Estate Serv	RE tax expense	3,000
Medicom	Billing Consult	1,007
Kenneth Fisch	Legal fees-Collections	13,893
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 598,100

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 34,141
Unemployment Compensation Insurance	32,236
FICA Taxes	125,562
Employee Health Insurance	9,911
Employee Meals	18,963
Illinois Municipal Retirement Fund (IMRF)*	
Dental/life insurance and Pension	64,360
Employee Drug Test	1,552
Employee Vaccinations	492
401K Match	66
Emp relations/Misc PR	2,151
TOTAL (agree to Schedule V, line 22, col.8)	$ 289,434

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	802
Health Care Worker Background Check	
(Indicate # of checks performed 39)	270
Surety Bons Fees	900
IHCA Dues	7,227
Relate party-AMS	297
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 9,496

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Auto Allowance	129
Seminar Expense	
American Express (mds Seminar)	160
related party-AMS	7,372
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 7,661

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Alden Morrow Rehab & HCC # 0019596 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1	hvac/painting	1/10/1989	$ 36,448	5	$	$	$	$	$	$	$	$	$
2	hvac repair	Aug-90	2,612	5									
3	hvac/painting/boiler rep's.	6/11/1992	18,988	3-15	224	224	224	224	224	93	0		
4	pump/paint./compress.	1/10/1993	32,016	3									
5	painting/pump repairs	2/11/1994	10,007	3									
6	painting	4/12/1995	7,922	3									
7	hvac/pipes/boiler/paint'g	1/12/1996	61,716	3-20	1,831	1,831	1,552	1,552	1,552	1,552	1,552	1,552	1,552
8	hvac repairs	1/12/1997	22,597	3	0								
9	replace actuator/hvac	Sep-98	1,872	3	416	0	(416)						
10	repair a/c-Chic. Cool'g	Oct-99	3,529	3	1,176	882	(294)						
11	GT Mechanical (repair Va	May-00	2,168	3	723	723	3	0					
12	Alden Bennett (painting)	Apr-00	14,701	3	4,900	4,900	1,225	0					
13	Alden Bennett (landscapi	Apr-00	1,337	3	446	446	111	0					
14	GT Mechanical	Oct-00	2,949	3	983	983	737	0					
15	GT Mechanical (repairs)	03/02	2,479	3		689	826	138	0				
16	painting > $1,500 YTD	Jul-99	14,444	3	4,815	2,408							
17	painting > $1,500 YTD	Jul-00	7,887	3	2,629	2,629	1,315	0					
18	painting > $1,500 YTD	06/04	11,083					1,848	3,694				
19													
20	TOTALS		$ 254,756		$ 18,143	$ 15,715	$ 5,283	$ 3,762	$ 5,470	$ 1,645	$ 1,552	$ 1,552	$ 1,552

Facility Name & ID Number Alden Morrow Rehab & HCC **#** 0019596 **Report Period Beginning:** 01/01/2004 **Ending:** 12/31/2004

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? yes

(2) Are there any dues to nursing home associations included on the cost report? yes
If YES, give association name and amount. Ill Healthcare Assn.-$10,523

(3) Did the nursing home make political contributions or payments to a political action organization? yes If YES, have these costs been properly adjusted out of the cost report? yes

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? no If YES, what is the capacity?

(5) Have you properly capitalized all major repairs and equipment purchases? yes
What was the average life used for new equipment added during this period? 6 yrs.

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ 6,091 Line 10

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? yes If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? yes
If YES, give effective date of lease. 10/29/86

(9) Are you presently operating under a sublease agreement? YES X NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ 105,408
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ 18,963 Has any meal income been offset against related costs? n/a Indicate the amount. $ n/a

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. $
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? n/a
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? n/a
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? n/a
g. Does the facility transport residents to and from day training? no
Indicate the amount of income earned from providing such transportation during this reporting period. $ n/a

(17) Has an audit been performed by an independent certified public accounting firm? yes
Firm Name: BDO Seidman The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? no If no, please explain. not yet complete

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? yes

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? yes
Attach invoices and a summary of services for all architect and appraisal fees.

Reporting Period Beginning 1/01/04
Reporting Period Ending 12/31/04

Reclassifications - Pgs 3 and 4

From Line	To Line	Amount	Description
2		(18,963)	Employee Meal
	22	18,963	Employee Meal
22		(2,649)	Uniforms
	10	1,364	Uniforms
	6	64	Uniforms
	4	210	Uniforms
	1	680	Uniforms
	3	288	Uniforms
	11	0	Uniforms
	21	43	Uniforms
		0	Net should be 0